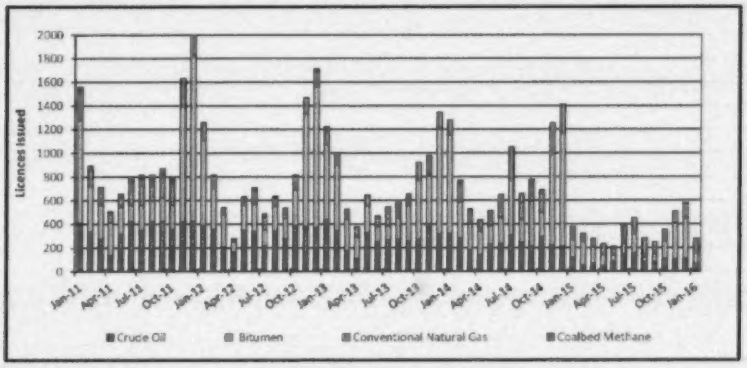
March 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 277 well licenses in January 2016, down 27% from the 377 well licences issued in January 2015.

There were 66 licences issued for crude oil in January 2016, down 44% from the 118 crude oil licences issued in January 2015.

59% of the crude oil licences issued in January 2016 were for horizontal wells.

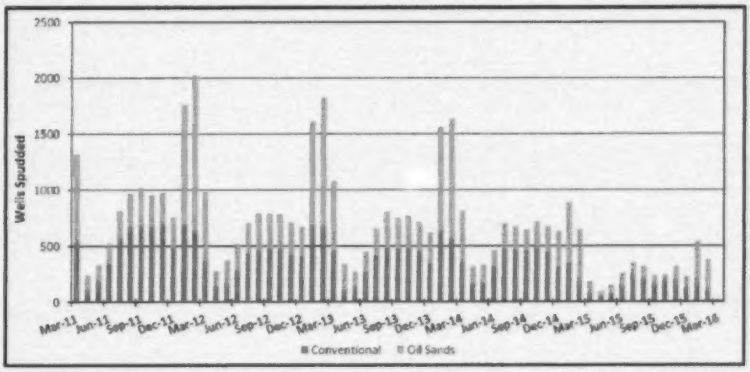
There were 120 natural gas well licenses (excluding CBM) issued in January 2016, 5% higher compared to the 114 licences reported in January 2015.

Almost 98% of natural gas well licenses issued in January 2016 were for horizontal wells.

JANUARY 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	117	43%
	Vertical/Direct	3	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	39	24%
	Vertical/Direct	27	
Bitumen	Horizontal	40	33%
	Vertical/Direct	14	
	Evaluation	37	
Total		**277**	**100%**

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



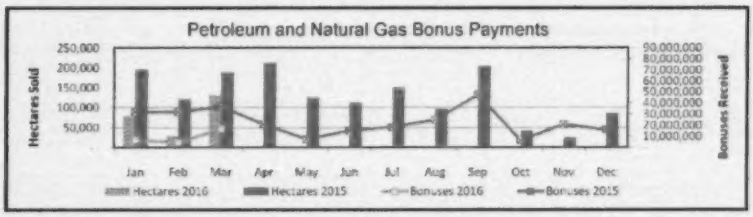
With a total of 22 spuds for the month of March 2016, activity has dropped 88% as compared to March 2015 when there were 182 spuds.

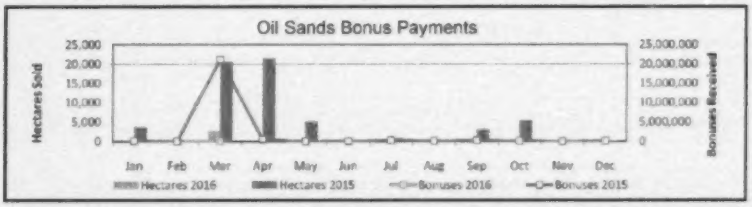
For 2016, spuds for conventional wells are down 55% while oil sands spuds are down 40% as compared to 2015.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	708	532	110	181	339	573	679	690	678	701	484	6,435
	Oil Sands	1052	1295	786	131	153	186	239	289	329	277	273	273	5,283
2012	Conventional	691	645	370	135	169	278	430	467	480	472	422	411	4,970
	Oil Sands	1074	1377	610	141	206	241	274	318	304	310	285	264	5,404
2013	Conventional	690	685	453	112	137	266	412	485	480	476	458	344	4,998
	Oil Sands	926	1141	626	227	133	186	243	316	267	289	248	275	4,877
2014	Conventional	634	564	356	161	172	317	471	464	451	491	448	316	4,845
	Oil Sands	928	1072	455	159	163	141	227	209	194	225	228	310	4,311
2015	Conventional	347	185	75	52	76	142	240	213	167	192	189	123	2,001
	Oil Sands	539	466	107	43	76	114	112	103	67	48	130	104	1,909
2016	Conventional	166	94	11										271
	Oil Sands	376	286	11										673

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the petroleum and natural gas land sales held in March 2016 were about $16.8 million with an average price per hectare of $129.48.

Oil sands land sales totalled about $26.5 thousand with average price per hectare of $10.1 in March 2016.

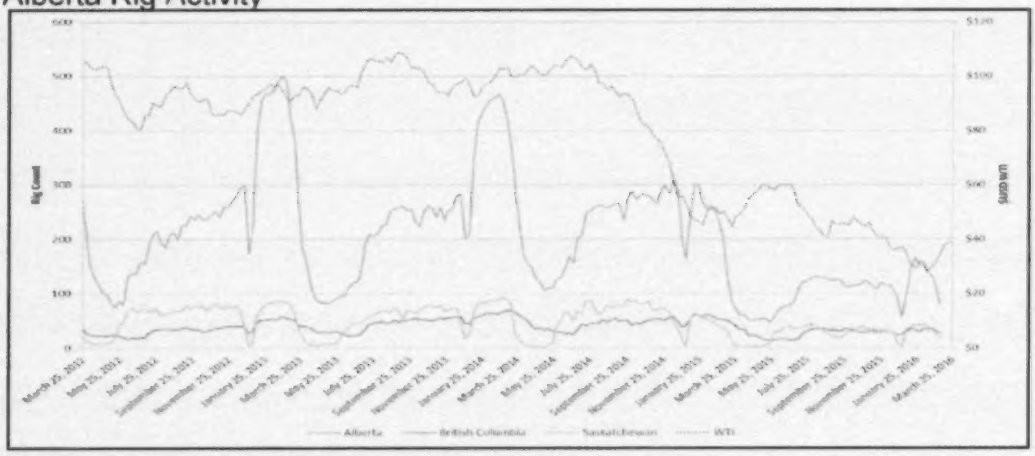
Between January and March 2016, Alberta received a total of $28.3 million from the sales of about 239 thousand hecatares of land, compared to about $121.5 million received on the sales of about 530 thousand hectares in the same period in 2015. Average crown land prices for that period have also decreased from $229.40/hectare in 2015 to $118.29/hectare in 2016.

Petroleum and Natural Gas Rights	Mar-16	Mar-15	YTD 2016	YTD 2015
Bonuses	$16,831,411.69	$36,591,395.68	$28,248,860.11	$100,243,364.49
Hectares	129,988	189,080	236,410	505,424
Average Price per Hectare (Cdn$)	$129.48	$193.52	$119.49	$198.34

Oil Sands Rights	Mar-16	Mar-15	YTD 2016	YTD 2015
Bonuses	$26,493.44	$21,112,052.48	$26,493.44	$21,251,100.16
Hectares	2,624	20,544	2,624	24,192
Average Price per Hectare (Cdn$)	$10.10	$1,027.65	$10.10	$878.44

Source: Alberta Energy

Alberta Rig Activity



Canadian Drilling	Drilling March 25, 2016	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	39	-8	$ 39.18
Saskatchewan			
British Columbia	13	-6	
Canada	55	-14	

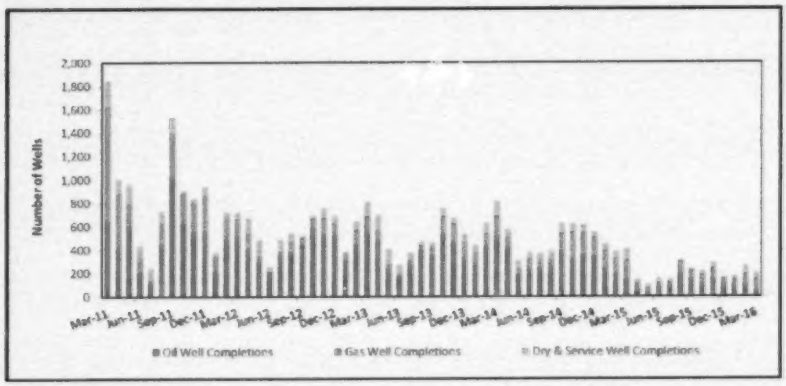
Source: Baker Hughes

Canadian rig activity was down by 14 at 55 for the week of March 25, 2016 and is 65 (54.2%) lower than last year. The number of rigs drilling for oil was down by 1 at 11 and is 7 (38.9%) lower than last year.

Gas directed rig count at 44 was down by 13 and is 58 rigs (56.9%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 200 wells completed in March 2016, down 51% from 407 wells completed in March 2015.

Compared to January - March 2015, oil completions are down 59% and gas completions are down 46% for the same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
	Gas Wells	131	181	146	141	62	12	48	98	65	81	137	110	1,210
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	3,980
	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	1,498
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	826
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	1,523
	Gas Wells	166	134	166	52	42	45	44	108	65	75	93	63	1,053
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	415
2016	Oil Wells	88	106	43										237
	Gas Wells	55	90	106										251
	Dry & Service	29	64	51										144

Source: JuneWarren-Nickle's Energy Group